



# Janco Holdings Limited 駿高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8035

# 2021

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



# TABLE OF CONTENT

1.	ABOUT THE REPORT	2
1.1	Scope and Reporting Boundary	2
1.2	Reporting Guidelines	2
1.3	Reporting Principles	3
1.4	Reporting Framework	3
1.5	Data Collection	3
1.6	Report Availability	3
1.7	Contact	3
2.	BOARD STATEMENT	4
3.	APPROACH TO ESG MANAGEMENT	5
3.1	Six Pillars of our Sustainability Foundation	5
3.2	Formation of ESG Working Group	5
3.3	Stakeholder Engagement	6
3.4	Materiality Assessment	8
3.5	Our Annual Performance Highlights	10
3.6	Towards a Greener Future	11
4.	MANAGING ENVIRONMENTAL IMPACTS	12
4.1	Corporate Environmental Policy	12
4.2	Climate Change Mitigation	12
4.3	Optimizing Energy Saving	14
4.4	Exhaust Gas and GHG Emissions	16
4.5	Waste Management	16
4.6	Use of Resources	18
5.	PEOPLE	20
5.1	Employee Wellness	20
5.2	Recruitment and Promotion	22
5.3	Employment	22
5.4	Occupational Health and Safety	25
5.5	Development and Training	27
5.6	Labour Standards	29
5.7	Harmonious Corporate Culture	29
6.	OPERATING RESPONSIBLY	30
6.1	Supply Chain Management	30
6.2	Product and Service Responsibility	31
6.3	Anti-Corruption	31
6.4	Whistle-Blowing	32
6.5	Anti-Money Laundering	32
6.6	Customer Relationship Management	32
6.7	Personal Data Protection	33
6.8	Protection of Intellectual Property Rights	33
7.	CONTRIBUTING TO OUR COMMUNITY	34
8.	HKEX ESG GUIDE CONTENT INDEX	37

# 1. ABOUT THE REPORT

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Janco Holdings Limited and its subsidiaries (together, the “**Group**” or “**we**”) are pleased to present our Environmental, Social and Governance Report (the “**ESG Report**”). The report presents the Group’s concern to environmental and social impacts, policies and initiatives of the Group to demonstrate our long-term commitment to ensure that our activities, at all levels, are economically, socially and environmentally sustainable development to stakeholders. Additional information in relation to the Group’s corporate governance and financial performance can be referred to our annual report for the financial year ended December 31, 2021.

The Board of Directors acknowledges its responsibility for ensuring integrity of this sustainability report. To the best of its knowledge, this report addresses the principles of materiality, quantitative, and consistency, presenting ESG performance of the Group in a balanced manner.

## 1.1 SCOPE AND REPORTING BOUNDARY

The scope of the ESG Report covers the environmental and social performances of the Group’s principal operating activities spanning over the period from January 1, 2021 to December 31, 2021 (the “**Reporting Period**”). The Group has been a leading provider of international freight forwarder and global logistics services in Asia with expertise in supply chain management and e-commerce fulfilment. Over the years, we have developed an extensive global distribution and freight forwarding network covering all major markets worldwide. In recent years, we have connected with many last-mile- delivery operators to service eCommerce parcel delivery to and from Mainland China, North America, Europe and Asia Pacific regions.

The reporting boundary of the ESG Report is established consistently based on the criteria that all operations and entities reported are substantially owned by the Group and are under our management across the Group’s structure. As a result, we do not report entities which are outside of the Group’s structure, where we do not own the assets and do not directly engage or employ the workforce, and where we do not operate the asset under a contractual obligation. In addition, we do not report entities which were sold or acquired during the Year. Part of the content may look back upon the performance of the Group in past years with a view to presenting the ESG Report in a more informative and comparable manner.

## 1.2 REPORTING GUIDELINES

To comply with the requirements set forth in Appendix 20 Environmental, Social and Governance (“**ESG**”) Reporting Guide (“**ESG Reporting Guide**”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**” and “**Listing Rules**”, respectively), the Group is in compliance with the mandatory disclosure requirements and “comply or explain” provisions set out in the ESG Reporting Guide.

# 1. ABOUT THE REPORT

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## 1.3 REPORTING PRINCIPLES

In order to determine what issues are relevant and material to our business with respect to sustainability, the report is centered on the four principles summarized below.

**Materiality** The ESG report covers the material ESG factors that are related to different stakeholders. The Board and the management are mainly responsible for identification of key ESG factors on the basis of the feedback from the stakeholders, and to ensure that these issues are addressed in the report.

**Quantitative** Data presented in this report have been examined and verified. Please refer to the summary tables of performance are shown in relevant sections for standards and methodologies used for calculation of indicators.

**Balance** Both positive and negative sides of our performance have been presented in a transparent manner.

**Consistency** Unless otherwise stated, the disclosures, methodologies and key performance indicators are used and calculated in a consistent approach throughout the years to facilitate comparability over time.

## 1.4 REPORTING FRAMEWORK

With reference to the ESG Reporting Guide and the Group's business operation, the presentation of our ESG Report divides the relevant aspects and KPI, which are considered to be relevant and material to the Group, into four subject areas: Environmental Protection, Employment and Labour Practices, Operating Practices and Community Investments.

A complete index in compliance with the ESG Reporting Guide is also available at the end of this report for reference. Except for provisions that the Group considers are inapplicable to its operations, for which explanations have been given on the rightmost column in the said index, this report is compliant with all the "comply or explain" provisions set out in the ESG Reporting Guide.

## 1.5 DATA COLLECTION

Data in this report are extracted from the Group's internal management system and statistics, and part of the data collected in previous years. Unless otherwise stated, HKD is used in this report as its functional currency.

## 1.6 REPORT AVAILABILITY

In addition to inclusion in the Group's Annual Report, this report is also accessible in electronic version from <https://www.jancofreight.com>.

## 1.7 CONTACT

We welcome all sorts of comments and suggestions from our stakeholders with respect to this ESG Report or our sustainability performance. Comments or views can be sent to [hkg@jancofreight.com](mailto:hkg@jancofreight.com).

## 2. BOARD STATEMENT

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The Group, as part of the great community, is committed to dedicating our resources and our best thinking to build a sustainable business fit for the future and to build a better world for all stakeholders in different aspects. The board of directors (“**Board**”) make the following statements regarding the six pillars of our ESG policy.

### **A STRONGER SUPPLY CHAIN MANAGEMENT**

The COVID-19 pandemic has unfortunately led to a widespread disruption of worldwide business logistic management. The Group, as one of key players in the global supply chain ecosystem, strives to strengthen our logistic management in order to contribute better to the global supply chain, meeting the community needs, customer needs and stakeholder expectation.

### **RESPONDING TO CLIMATE CHANGE**

The Group is committed to reducing our carbon footprint and refreshing our long-term goals as technologies advance and cost structure change against the backdrop of accelerated climate change, while aligning our operation and ESG performance with the target of net zero commission for the global community.

### **PROMOTE HEALTH & WELL BEING**

We are determined to set ourselves in a good position to maintain a robust business performance and growth together with our employees, with an objective to uphold an open, fair, just and reasonable human resource policy. The Group is committed to a holistic approach to health and wellness, through a healthy, comfortable and safe working environment that support health and wellness for our employees.

### **INNOVATION**

We are dedicated to replacing and enhancing our technical levels and processes to enable our business to deliver improved results, leveraging innovation to facilitate our people in making better decisions and to help manage energy use in a greener and smarter way.

### **COMMUNITY ENGAGEMENT**

The Group encourages giving back and strengthening the community through volunteerism and philanthropy. Our employees are encouraged to contribute their time and talent to a variety of community organizations.

### **GOVERNANCE STRUCTURE**

Our ESG committee comprising the Board-level committee members represents the Board’s further determination and action to strengthen the our ESG management in the long run. The Board has the overall responsibility to define the Group’s ESG strategy and approach, manage and asses the Group’s ESG performance. The Board and senior management hold accountable for the responsibility of the Group’s ESG performance.

# 3. APPROACH TO ESG MANAGEMENT

## 3.1 SIX PILLARS OF OUR SUSTAINABILITY FOUNDATION

In order to ensure that our ESG strategy is carried out effectively and consistently throughout the Group, we have managed our ESG approach, across the Group’s product & services lines, with reference to the six pillars summarized below.



Looking ahead, the Board will continue to optimize the ESG management of the Company, actively respond to concerns of our stakeholders and facilitate the improvement of ESG management, working to fulfil our improvement, progress, performance and contribution to our community.

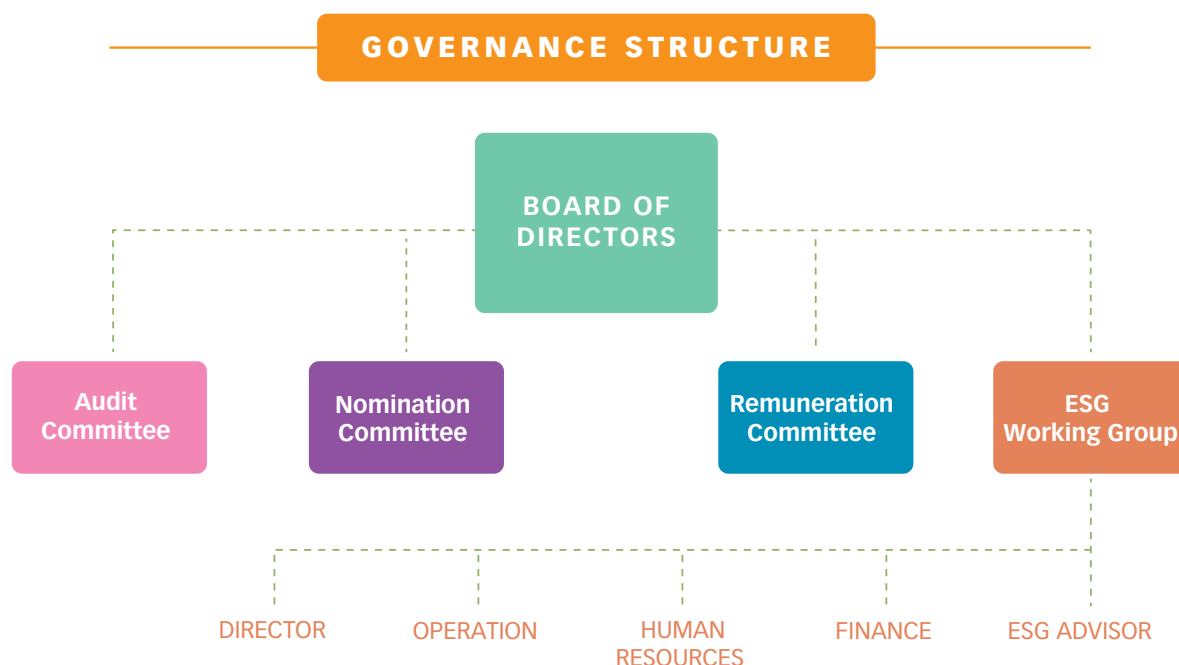
The Group is committed to promoting the long-term and sustainable development of the Group’s operations and delivering the value of sustainable development for all stakeholders in the long run. To fulfil the vision, we have developed following ESG strategies to review and manage the Group’s impact on the environment, society and economy, and to incorporate sustainability into each operating level.

## 3.2 FORMATION OF ESG WORKING GROUP

To address the issues of ESG management, the Group has set up the ESG Working Group which consists of a director, department heads of operation, finance and human resources and an ESG advisor. The ESG Working Group is delegated to review and monitor the Group’s ESG policies and performance regularly, identify risks and opportunities of ESG aspects, ensure the Group’s compliance with the relevant legal and regulatory requirements, monitor and respond to emerging ESG issues and make recommendations to the Board to improve the Group’s ESG performance.

### 3. APPROACH TO ESG MANAGEMENT

During the Reporting Period, the ESG Working Group organized meetings to review the Group’s ESG policy including, evaluating the effectiveness of existing ESG initiatives and progress of ESG performance, advising the Board on sustainability strategy and management approach, carbon footprint reduction, professional development for employees and engagement with the community.








#### 3.3 STAKEHOLDER ENGAGEMENT

Stakeholder engagement is nowadays an important approach for us to understand the views and suggestions of different stakeholders on the progress of the Group’s ESG management as the groundwork for realizing the Group’s sustainability planning and social responsibility fulfilment.

In order to achieve so, the Group carried out a stakeholder engagement exercise during the Reporting Period by involving its stakeholders which might affect our decisions, people who may be affected by our decisions or who may influence the implementation of our decisions. The Group has developed an approach which identifies the broad topics that the stakeholder groups are concerned with, and used a materiality matrix to assess the material topics identified by our stakeholders during the engagement process. The stakeholder engagement is followed by the formulation of operating strategies, such that their views and voices could be heard by all business units of the Group and timely responses could be provided. A summary of the stakeholder groups, topics concerned, and communication channels are listed in the following table.

# 3. APPROACH TO ESG MANAGEMENT

**Table 3-1: Stakeholders and Communication Channels**

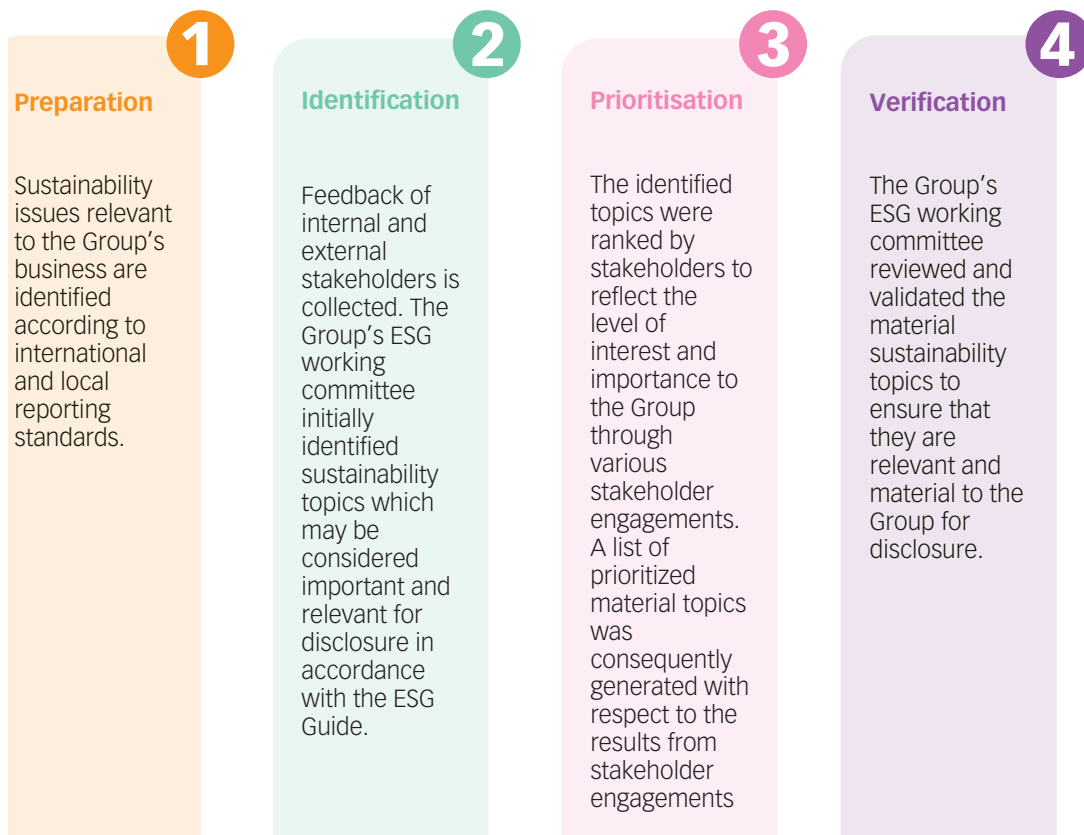
Stakeholders	Topics Concerned	Communication Channels
 <i>Customer</i>	<ul style="list-style-type: none"> <li>• Customer information and privacy</li> <li>• Development of new services</li> </ul>	<ul style="list-style-type: none"> <li>• Online customer satisfaction surveys</li> <li>• Customer service hotline and email</li> </ul>
 <i>People</i>	<ul style="list-style-type: none"> <li>• Employees’ health safety, working conditions and welfare</li> <li>• Career development and training</li> </ul>	<ul style="list-style-type: none"> <li>• Regular management meeting with staff representatives</li> <li>• Career and product training</li> <li>• Occupational health and safety training</li> </ul>
 <i>Shareholders</i>	<ul style="list-style-type: none"> <li>• Corporate governance and risk management</li> <li>• Business and financial performance</li> <li>• Development of new products and services</li> <li>• Operation in compliance with applicable law and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Annual and interim reports</li> <li>• Regular meetings and correspondence</li> <li>• ESG report</li> <li>• Annual business review meeting</li> </ul>
 <i>Supply Chain</i>	<ul style="list-style-type: none"> <li>• Quality of products or services</li> <li>• Sustainability in business model</li> <li>• Operation in compliance with applicable law and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Annual business review meeting</li> <li>• Key supplier audits</li> </ul>
 <i>Community</i>	<ul style="list-style-type: none"> <li>• Local environment protection</li> <li>• Local community activities involvement</li> <li>• Operation in compliance with applicable law and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in local community activities and volunteering work</li> </ul>



# 3. APPROACH TO ESG MANAGEMENT

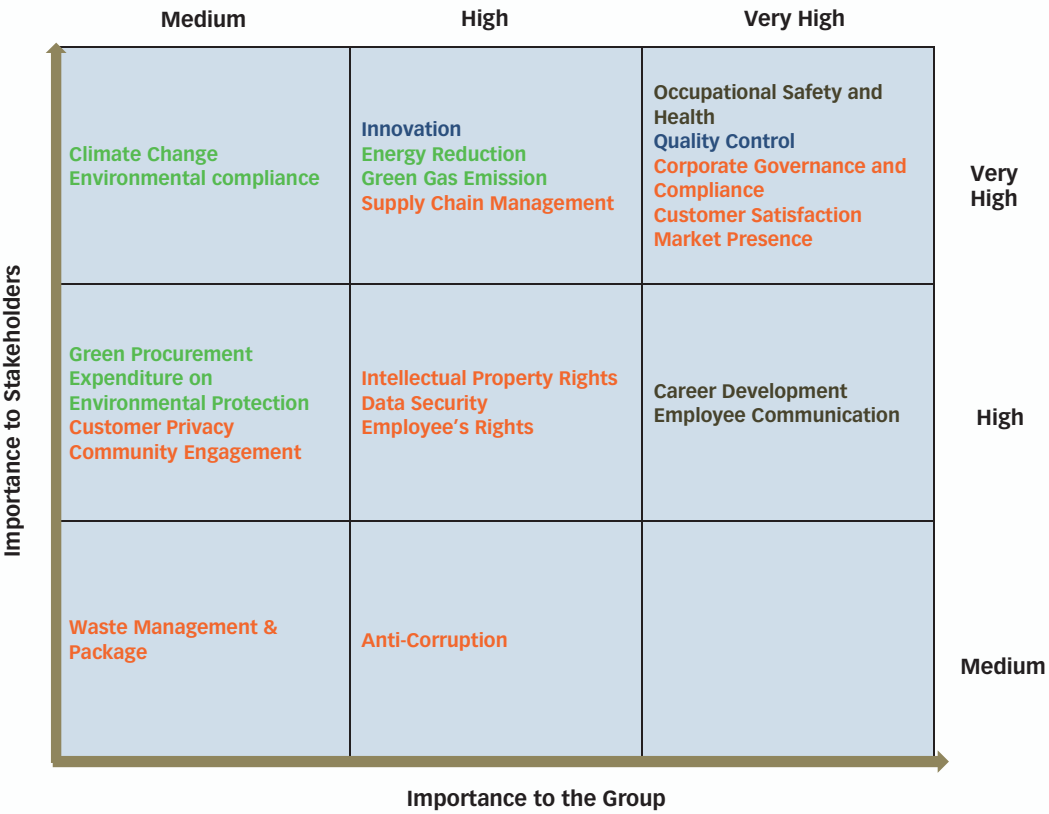
## 3.4 MATERIALITY ASSESSMENT

ESG issues that are pertinent to the Group and its stakeholders are identified through materiality assessment, which is a crucial step in developing the sustainability strategy. Materiality assessment is a four-step process of identification, prioritization, validation and review.



Based on the stakeholder engagement exercise, business knowledge and management review, we identified the material topics and the stakeholder groups most significantly impacted by the topics summarized in the form of materiality matrix below, in the context of own business and day-to-day operation. The materiality matrix generally demonstrates that all issues raised were important to both primary and secondary stakeholders, albeit to differing degrees of importance to stakeholders and to the Group.

# 3. APPROACH TO ESG MANAGEMENT



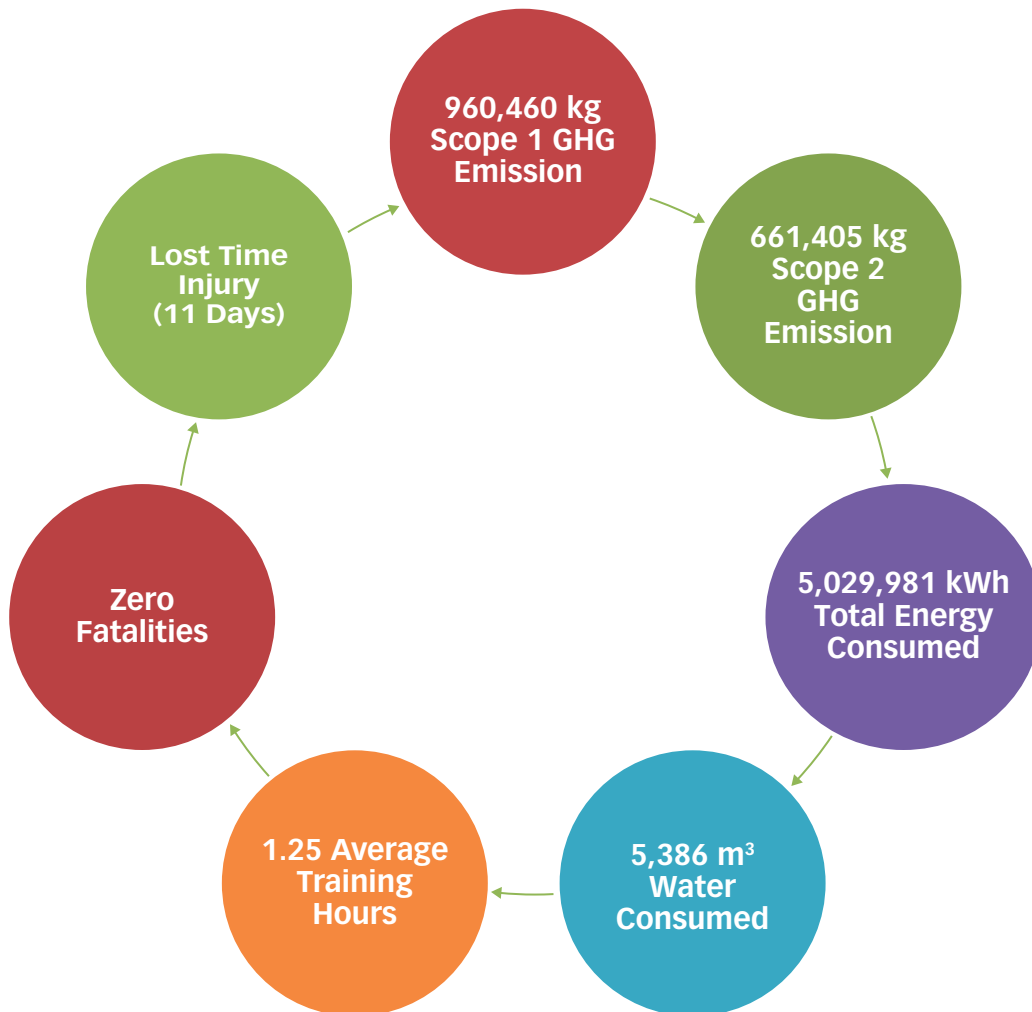
- Key:
- Innovation and Technology
  - Our People
  - Environment
  - Being a responsible business



### 3. APPROACH TO ESG MANAGEMENT

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#### 3.5 OUR ANNUAL PERFORMANCE HIGHLIGHTS



## 3. APPROACH TO ESG MANAGEMENT

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### 3.6 TOWARDS A GREENER FUTURE

The pressures stemming from global sustainability issues such as climate change, plastic pollution, ecological and ethical footprints also create significant opportunities for the Group to align our strategies with the direction of climate change. Enhanced awareness of environmental and resource efficiency issues amongst our customers, suppliers, our people and stakeholders through improvement projects and the green logistic management approach in the respective areas.

Where once customer would rarely question how a product was made or what it was made of, corporates are now expected to clearly state where products come from and how the ESG policies inform their choice of processes, materials and deployment of human resources. The change of consumer mentality is progressively transforming the purchasing decisions. A failure to overcome stakeholder concerns and their changing perceptions of an organization's contribution to or detraction from the transition to a lower-carbon economy can also damage our reputation.

As such, it has never been more important for the Group to implement good ESG practices into our business model and reduce the natural resources consumption in our operations, and use more eco-friendly transportation modes in our supply chain management. We are committed to instilling the consciousness of resources conservation, deeply indoctrinated the low-carbon concept and environmental protection into the work and life of every employee. We firmly believe that our commitment to environmental protection will become a part of our competitiveness, leading the Group to a greater success in the future and fulfil our responsibilities as a member of the community we all live in.

## 4. MANAGING ENVIRONMENTAL IMPACTS

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### 4.1 CORPORATE ENVIRONMENTAL POLICY

The Group continues to make progress in mitigating our environmental impacts by gradually improving resources usage efficiency and waste management and adopting of green technologies throughout our business operations. Our business operations and facilities are compliant with all the relevant environmental, legal and statutory requirements.

The Group set out relevant rules and regulations for a sound and effective management of energy consumption, greenhouse gas (“GHG”) emission, as well as discharge of waste and sewage and other pollutants, highlighted as below.

- To comply with applicable environmental protection laws and regulations;
- To integrate environmental considerations in the operations;
- To define appropriate objectives and targets on a regular basis for our ESG management approach;
- To continuously improve the ESG management system to set and maintain rigorous standards;
- To prevent pollution and to protect the environment by conserving natural resources and minimizing waste;
- To promote environmental awareness among the workforce with regular communication;
- To communicate our environmental performance to stakeholders and seek their involvement wherever applicable; and
- To equip our employees with relevant skills and knowledge in relation to the ESG management.

During the Reporting Period, the Group complied with environmental protection laws and regulations in relation to air and GHG emissions, discharge into water and land, and generation of hazardous and non-hazardous waste. The Group did not violate any environmental protection laws or regulations of the region where we operate, nor was it subject to significant fines, non-monetary penalties and litigation relating to environmental protection.

### 4.2 CLIMATE CHANGE MITIGATION

The Group recognizes that the accelerated climate change will lead to extreme weather events, such as tropical cyclone, severe rainstorm and thunderstorm which ultimately threaten business operations and result in possible financial loss. We are determined to reduce our carbon footprint and always refresh our long-term goals as technologies advance and cost structure change to further reduce our impact on the planet.

Potential climate-related risks faced by the Group include physical risks such as extreme weather events and rise in sea level, and as policy and regulatory risks, market risks and reputational risks. The below table shows our response in managing various risks brought by the climate change that the Group may be facing.

## 4. MANAGING ENVIRONMENTAL IMPACTS

**Table 4-1: Climate-Related Risks and Opportunities**

	Specifics	Adverse Impacts/ Benefits	Our Response and Actions
<b>RISKS</b>			
<b>Physical Risks</b>	Increased frequency and severity of extreme weather events, such as typhoons, wildfire, rain and flooding, which may affect us from providing services, and damage our facilities and products	<p>Increased operating and maintenance costs</p> <p>Loss of revenue</p> <p>Increased chance of extreme weather-related injuries which affect employees' health and safety</p>	<p>Monitoring and strengthening environmental risk prevention</p> <p>Implementing natural disasters emergency plan</p> <p>Conducting preventive measures and flexible working arrangement</p>
<b>Policy and Regulatory Risks</b>	Governments around the world enact more stringent laws and regulations in relation to climate change and environmental protection at home and abroad	Increased compliance cost	<p>Regularly monitoring the regulatory trends</p> <p>Monitoring and strengthening environmental risk prevention</p>
<b>Market and Reputational Risks</b>	Change in customer preferences and behaviours for green products and services	Reduced revenue due to the decrease in demand for current products and services	<p>Ongoing study of application of recycled materials</p> <p>Control and reduction of hazardous materials in products and new design</p> <p>Strengthening development of green products and new designs</p>
<b>OPPORTUNITIES</b>			
<b>Products, Services and New Design</b>	More low-carbon, energy-saving technologies are in need	Introduction of new technology to boost product competitiveness	<p>Exploring new environmental technologies</p> <p>Strengthening development of green products and new designs</p> <p>Optimization of energy and resources consumption</p>

## 4. MANAGING ENVIRONMENTAL IMPACTS

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### 4.3 OPTIMIZING ENERGY SAVING

The Central government has announced its target to achieve carbon neutrality in 2060. It is expected that the policies and regulations on carbon emissions will be more stringent in coming years. To reduce our indirect emission, we actively explore the possibilities of reducing electricity consumption and increasing energy efficiency in operations.

The main contributors to the Group's carbon footprint are (1) indirect GHG emission generated from electricity consumption, (2) direct GHG emission generated from office administration and consumption of fossil fuel directly or indirectly, (3) indirect GHG emission generated from business travel by flight and (4) paper consumption in business operation, which releases Nitrogen Oxides (NO<sub>x</sub>), Sulphur Oxides (SO<sub>x</sub>), and Carbon Dioxide (CO<sub>2</sub>) into the air. The Group is highly aware that such GHG emission is one of the major sources of global warming. Therefore, we strive to reduce our carbon and ecological footprint and adopt practices that are sustainable to the environment and minimize our impact on the environment. As such, the Group keeps minimizing the environmental impacts by reducing GHG emission from its operations with the following means:

#### Fleet Management

The Group is committed to improving fleet efficiency through operational optimization and fleet modernization. To optimize its operation, the Group focuses on enhancing route planning and instilling proper driving habits through measures such as carrier capacity optimization, mileage yield monitoring, driving training, and regular fleet maintenance. To modernize its fleet, the Group is exploring the use of alternative fuel vehicles.

#### Facilities Efficiencies

The Group improves the efficiency of its facilities and equipment by implementing appropriate practices.

- Envelop system — we adopt the envelop system for our cold storage facilities to reduce energy loss through exterior doors;
- Lighting — we have been progressively replacing T8 fluorescent light tubes with more energy efficient light-emitting diode (“LED”) lamps to reduce energy consumption and associated GHG emissions at the warehouses. Our warehouse in Hong Kong underwent the upgrade lighting system and providing on-off and zoning control of lighting. Similar projects will be extended to all our workplaces if appropriate;
- Air conditioning and refrigeration system — the room temperature of the workplaces is maintained at around 24–26°C for an optimal level for comfort. To ensure effective operation of the air conditioning system, maintenance plans are implemented, such as regular cleaning of dust filters and fan coils. The Group prefers environmentally friendly air conditioners in its procurement process, especially for those that do not require refrigerant additions for 6 to 10 years;
- Switching off electronic products and office equipment when idle;
- Prioritizing the use of green technologies in business operations, constantly upgrading the facilities and equipment to increase energy efficiency;

## 4. MANAGING ENVIRONMENTAL IMPACTS

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- Procuring energy efficient electrical appliances with energy efficiency label to reduce indirect GHG emission whenever practical;
- Placing “Environmental Protection” messages on office equipment and workplace to further enhance employees’ environmental awareness;
- Organizing training session including case studies to improve energy efficiency and GHG saving awareness;
- Engaging staff to adopt the energy saving practices; and
- Established energy targets and indicators, as well as the implementation plan.

### **Control of Paper Consumption**

The business operation of the Group consumes significant amount of papers and the Group has adopted a series of initiatives to reduce the level of paper consumption:

- Achievement of paperless office by digitalizing the business operations whenever possible to reduce paper consumption;
- Tend to use electronic approvals instead of paper signatures, make full use of electronic archives and documents, and online communication;
- Selection of working partners which provide paperless operating procedures;
- Promotion of electronic statements among our clients and provision of platform for online transaction to clients;
- Paperless board meeting;
- Encourage use of electronic means of communication such as email, intranet and WeChat, VooV and Zoom to manage daily process;
- Use duplex printing and reuse single-side printed papers; and
- Organized events and activities for enhancing employees’ motivation to minimize the use of electricity and paper in office.



## 4. MANAGING ENVIRONMENTAL IMPACTS

### 4.4 EXHAUST GAS AND GHG EMISSIONS

Our Group's business inevitably involves consumption of fossil fuel, which directly or indirectly, releases Nitrogen Oxides (NO<sub>x</sub>), Sulphur Oxides (SO<sub>x</sub>), and Carbon Dioxide (CO<sub>2</sub>) into the air. In accordance with the ESG Reporting Guide set out by HKEX, our environmental performance of "Emissions" during the Reporting Period is tabulated below.

**Table 4-2 — Emissions**

	Unit	FY2021	FY2021 Intensity
GHG Emissions	kg	<b>1,621,865</b>	<b>8,911</b>
Direct GHG Emissions (Scope 1)	CO <sub>2</sub> e (kg)	<b>960,460</b>	<b>5,277</b>
Indirect GHG Emissions (Scope 2)	CO <sub>2</sub> e (kg)	<b>661,405</b>	<b>3,634</b>
Nitrogen Oxides	g	<b>15,104,440</b>	<b>82,991</b>
Sulphur Oxides	g	<b>5,753</b>	<b>32</b>
Particulate Matter	g	<b>1,110,788</b>	<b>6,103</b>

Notes:

GHG emission data is presented in terms of carbon dioxide equivalent and are based on, including but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "Greenhouse Gas Inventory Guidance Direct Emissions from Mobile Combustion Sources" issued by the United States Environmental Protection Agency, the latest emission factors published by the power plant and "How to prepare an ESG Report? — Appendix II: Reporting Guidance on Environmental KPIs" issued by the HKEX.

During the Year, there were no non-compliance cases reported in relation to GHG emission within the Group.

### 4.5 WASTE MANAGEMENT

#### Waste Management Policy

Waste reduction is the focus of our emission control efforts. The Group's principal waste management policy endeavours to achieve a green and paperless operation and a minimal generation of waste wherever possible and practical. Through the following measures and objectives, the Group strives to reduce waste generated and aims at waste management from the source.

- We endorse the '4-R Principles — Reduce, Reuse, Replace and Recycle' as our key policy of waste management;
- We extend our commitment to using sustainable service into every aspect of the business;
- We provide customers with reverse logistics services to reduce the disposal of defective products;
- We use of retreaded tires to extend their life cycle where applicable;
- We reuse the carton boxes;

## 4. MANAGING ENVIRONMENTAL IMPACTS

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- We recycle the regulated electrical equipment (“**REE**”) under the Producer Responsibility Scheme on Waste Electrical and Electronic Equipment (“**WPRS**”);
- We replace wooden pallets with recycled plastic pallets where applicable;
- Licensed waste collectors are engaged to handle wastes;
- We encourage all employees to reduce paper usage through duplex printing, paper recycle and frequent use of electronic information systems for material sharing or internal administrative documents;
- We encourage an increased use of reusable product, such as envelopes, and better separation of waste streams for recycling;
- We maintain 100% recycling of used toner cartridges by collecting and returning all used cartridge to recycling agents;
- We encourage minimal consumption of paper towels in workplaces;
- We strengthen our employee’s awareness in environmental management, waste reduction and waste recycle, encourage them to be equipped with appropriate skills and knowledge with respect to the practice of sustainable development; and
- We keep up with the latest government’s initiatives and policies in relation to waste management in order to allocate resources and formulate strategy in a timely manner.

### **Hazardous Waste**

Given our business nature, the Group does not directly produce hazardous waste throughout the operation. The Group endeavors to recycle electronic waste throughout our operation wherever practical, ultimately reducing both the monetary and environmental costs involved in disposal of these electrical parts that would otherwise be scrapped and treated as hazardous waste.

### **Non-hazardous Waste**

The non-hazardous wastes generated by the Group are mainly domestic waste including stationery, packaging materials, paper from our operations, among which, recyclable wastes will be recycled for reuse.

### **Wastewater Discharge**

As a logistic service provider, the Group does not consider itself as a highly water-intensive enterprise. Water is used primarily for drinking and sanitation and is discharged properly into the public sewage systems.

## 4. MANAGING ENVIRONMENTAL IMPACTS

**Table 4-3: Waste Discharge**

	Unit	FY2021
Non-hazardous Waste	kg	<b>40,908</b>

During the Reporting Period, there were no non-compliance cases reported in relation to discharge into water and land, and generation of waste within the Group.

### 4.6 USE OF RESOURCES

As natural resources are depleted, sustainability becomes essential throughout the entire process of business, so we are working to optimize and reduce the overall amount of natural resources we consume. We have implemented various initiatives throughout our operations such as deploying energy-efficient devices which carry certified Energy Label, minimizing the use of fuel, energy, paper and water. Through actively monitoring and managing the use of resources, we aim to reduce our carbon footprints as well as our operating cost.

#### Water Consumption

The Group does not have any water stress issues in its operation, nor do the Group have issues finding adequate water sources for its business operations. Nevertheless, the Group strives to conserve water in its daily operations. We strive to engage all employees to develop a habit of conserving water consciously. Pantry is posted with environmental messages to remind employee the importance and urgency of water conservation by checking taps and pipes for leaks regularly and monitoring water consumption. The utility facilities are maintained regularly for service to ensure that water seepage or leaking pipelines are replaced or repaired on a timely basis.

#### Packaging Material

We consume a certain amount of raw materials and packaging materials during product packaging, transportation and sales. Adhering to the philosophy of reducing resource consumption and pollutant discharge at the source, we encourage green products design, the usage of green materials and the reduction of over-packaged and invalid package. Packaging material used during the Reporting Period is tabulated below.

**Table 4-4: Packaging Material**

	Unit	FY2021
Plastic (e.g. wrapping film, plastic bottle, plastic bag)	t	<b>86,296</b>
Glass	t	<b>n/a</b>
Wood	t	<b>n/a</b>
Metal	t	<b>n/a</b>
Paper (including cardboard)	t	<b>224,774</b>
Rubber	t	<b>n/a</b>
Total	t	<b>311,070</b>

## 4. MANAGING ENVIRONMENTAL IMPACTS

### Environmental Performance

In accordance with the ESG Reporting Guide set out by HKEX, our environmental performance of “Energy and Resources Use” during the Reporting Period are tabulated below.

**Table 4-5: Energy and Resources Use**

	Unit	FY2021	FY2021 Intensity
Electricity	kWh	<b>1,647,405</b>	<b>9,052</b>
Purchased Gas	kg	<b>n/a</b>	<b>n/a</b>
Unleaded Petrol	L	<b>22,803</b>	<b>126</b>
Diesel	L	<b>336,516</b>	<b>1,849</b>
Paper	kg	<b>10,004</b>	<b>55</b>
Water	m <sup>3</sup>	<b>5,386</b>	<b>30</b>
Total Energy Consumption	kWh	<b>5,029,981</b>	<b>27,637</b>

During the Reporting Period, there were no non-compliance cases reported in relation to use of resources within the Group.

# 5. PEOPLE

## 5.1 EMPLOYEE WELLNESS

The outbreak of COVID-19 in early 2020 has caused an enormous impact on people’s health and safety, resulting in unprecedented public health measures across all geographies and massive business disruption at a scale never seen in our lifetime. Against this background, fostering a safe and healthy workplace remains the most important issue, as the protection of staff health, sufficiency of human resources and business innovation became crucial factors affecting the Group’s sustainability.

During the Reporting Period, we adopted stringent anti-epidemic measures and enhanced our workplace hygiene standards in active response to the calls of governments at various levels, in order to combat the spread of COVID-19 together with the community. The Group made targeted arrangements on human resources to minimize the adverse impact of the pandemic with respect to the employee well-being, overall production capacity and product quality. We also have formulated a contingency plan with the participation of the senior management to ensure that precautionary measures are in place as follows:

**Table 5-1: Precautionary Measures During the Pandemic Prevention**

<p><b>Comprehensive Pandemic Prevention</b></p> 	✓	To ensure all parts of operations are well-equipped for pandemic prevention
	✓	To allocate sufficient supplies and implemented social distancing restrictions in product lines, and workplace’s common area
	✓	To provide free nucleic acid testing for all employees
	✓	To establish and implement guidelines and procedures for controlling visitors, on-boarding of new employees, arranging quarantine for employees who return to the workplace after public holidays, as well as handling suspected cases swiftly and safely
	✓	To set the temperature sensor in the reception area to check body temperature of everyone before entering into the workplace
	✓	To record contact information and in/out time of every visitor
	✓	To upgrade our prevention facilities at workplaces, continuously improved intelligent service

## 5. PEOPLE

### Flexible Working Hours



- ✓ To maintain productivity during the pandemic by arranging remote working for employees who were unable to return to the workplace
- ✓ To reduce physical contact among employees, we allowed staggered working hours and lunch breaks

### Employee Support



- ✓ To arrange temporary job transfer for affected employees in order to assure their income and to meet delivery requirements at the same time because of pandemic bringing disruptions to manufacturing for some of the product line
- ✓ To set up a health information platform for keeping employees to be informed of the latest anti-pandemic measures
- ✓ To report on their health conditions on a daily basis and the pandemic prevention
- ✓ To coordinate and maintain close engagement with employees to address their needs via our anti-pandemic team
- ✓ To ensure employees' rights to welfare and benefits remained protected during the pandemic
- ✓ To pay employees' salaries according to legal requirement to all including employees unable to return for duty

### Steady Operation



- ✓ To mitigate concerns on product quality and timely delivery, early warnings were sent to suppliers requiring them to establish relevant contingency working groups
- ✓ To encourage suppliers to actively engage with us regarding any potential quality and delivery issues
- ✓ To offer online training to reduce the number of gatherings and thus the risk of infection, while ensuring the training was conducted as scheduled

There were no non-compliance cases noted in relation to health and safety laws and regulations during the Reporting Period. Neither work-related fatalities nor lost days due to work injury was recorded in the mentioned period.

## 5. PEOPLE

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### 5.2 RECRUITMENT AND PROMOTION

Considering that every employee has unique talents, competencies and the potential to become a driving force for our corporate development and long-term growth, the Group supports the development of competencies of our employees while proactively managing our talent pipeline and career development for them. The Group is determined to uphold an open, fair, just and reasonable recruitment and human resource policies, with respect to equal opportunities, diversity and anti-discrimination. We are committed to nurturing skills and capabilities in order to unlock the best in our employees, and therefore drive creativity and innovation that will contribute to our long-term sustainable growth.

The Group has formulated the recruitment policy with respect to equal opportunities, diversity and anti-discrimination. We encourage differences and individuality in employees, with the philosophy that diversity can bring new ideas, dynamics and challenges to our operations. We discourage all forms of discrimination on gender, age, family status, sexual orientation, disability, race and religion. Our employment policy encourages hiring of talented people with physical or mental disabilities. We are committed to supporting our employees to maintain a family-friendly work environment because we respect their roles and responsibilities in their families. We strive to make sure employees and business partners comply with laws and regulations, follow ethical business practices and respect equal opportunity in employment. We bring in new recruits and equip them with necessary skill sets to develop a long-term rewarding career with us.

During the Reporting Period, we strictly observed the applicable laws and regulations and follow our employment policies relating to recruitment and promotion, compensation and dismissal, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, by providing competitive remuneration package, including internal promotion opportunities and performance-based bonus, so as to recruit and retain experienced employees.

### 5.3 EMPLOYMENT

In order to attract and retain our employees, which are our most valuable assets, the Group offers competitive wages, medical insurance, disability and invalidity coverage, maternity leave and other compensation to our employees. The Group decides the remunerations payable to its staff based on their duties, work experience and the prevailing market practices. Apart from basic remuneration, share options may be granted to eligible employees by reference to the performance of the Group and individual employees. During the Year, the Group was not aware of any material non-compliance with laws and regulations in respect of human resources.

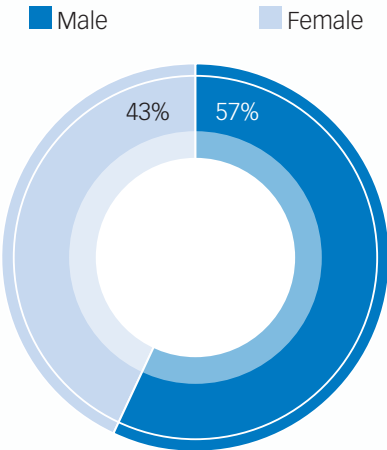
In Hong Kong, the Group complied with the Labour Law of Hong Kong and relevant employment laws and regulations throughout the Year, including the Mandatory Provident Fund Schemes Ordinance by participating in the Mandatory Provident Fund retirement benefit scheme (the “**MPF Scheme**”) for our eligible employees, Minimum Wage Ordinance, Employment Ordinance and Employees’ Compensation Ordinance by offering competitive wages, medical insurance, disability and invalidity coverage, maternity leave and other compensation to our employees.

# 5. PEOPLE

**Table 5-2: Our Workforce**

	FY2021
Total Number of Full-Time Employees	<b>188</b>
Turnover Rate by Gender	
Male	<b>40%</b>
Female	<b>43.9%</b>
Turnover Rate by Age	
Under 30 years old	<b>41.8%</b>
30–50 years old	<b>45.8%</b>
Over 50 years old	<b>29.4%</b>

**Total Workforce by Gender as of 31 December 2021**

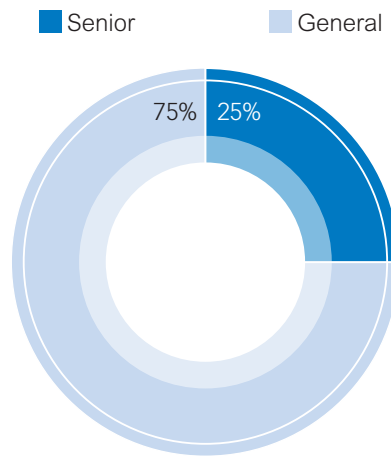




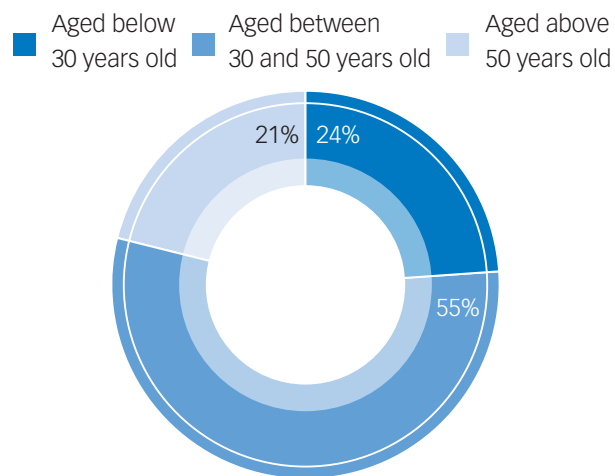
# 5. PEOPLE

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**Total Workforce by Employment Level as of 31 December 2021**



**Total Workforce by Age Group as of 31 December 2021**



## 5. PEOPLE

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### 5.4 OCCUPATIONAL HEALTH AND SAFETY

We are committed to providing and maintaining a safe, healthy, and hygienic workplace for all employees, and all other persons likely to be affected by our operations and activities. Health and safety standards are given prime consideration in our operations, and regulatory compliance is strictly upheld. The goals of our Occupational Safety and Health (“**OSH**”) policy are highlighted as below:

- Pursuit of a healthy, comfortable and safe working environment for our employees;
- Commitment of appropriate resources and leadership to the OSH management system;
- The OSH management system aims at identification, prevention and management of risks and hazards throughout the workplaces as well as follow-up actions for accidents or personal injuries;
- The OSH management system defines appropriate objectives and targets on a regular basis;
- Zero tolerance of accidents and injuries;
- Promotion of a safety culture among employees;
- Communication of our health and safety performance with stakeholders and seek their involvement wherever applicable;
- Regular review of the performance of various OSH measures so that their effectiveness and reliability can be maintained;
- Compliance with applicable laws and regulations in relation to occupational safety and health.

## 5. PEOPLE

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To achieve the goals of our OSH policy, the following appropriate measures are taken to continuously improve the safety and health aspects in the workplace.

- Formulation of emergency response plans, risk assessment and accident investigation mechanism so as to ensure legal compliance with OSH;
- Organization of fire drills and emergency evacuation simulations to raise the employees' awareness of fire prevention and to equip employees with appropriate knowledge and skills in the event of emergency;
- Promotion of safety culture among employees;
- Organization of induction programs and safety training programs to new employees such that they can be familiar with our corporate policies in relation to health and safety matters as quickly as they can;
- Provision of OSH training sessions to employees according to their roles and responsibilities to ensure awareness of job hazards and conformity to safety practices with respect to OSH;
- Provision of job-related training to existing staff-members to strengthen their professional knowledge and skills in daily operations and safety matters;
- Training courses and measures are reviewed and regularly reported to the management by the safety officer;
- Encourage contractors or sub-contractors to assist in the implementation of policies, procedures and practices related to OSH at work wherever practical;
- Prohibition of smoking and abuse of alcohol and drugs in workplaces;
- Provision of first aid kits and fire extinguishers in workplaces;
- Provision of clean and tidy rest area;
- Provision of adjustable chairs and monitors for eye protection;
- Installation of air purifiers in relatively crowded areas such as conference and meeting rooms; and
- Set up posters of proper working postures and lifting method accessible on the intranet and at appropriate locations in workplaces.

During the Reporting Period, the Group complied with the Occupational Safety and Health Ordinance, by ensuring that the employees are working in a safe environment in respect of health, hygiene, ventilation, fire evacuation plans, building structure and means of escape.

During the Reporting Period, the Group did not record any accidents that resulted in death or serious physical injury. No material non-compliance with laws and regulations relevant to health and safety of employees were identified during the Reporting Period. Summary of work-related fatalities and injuries during the Reporting Period are shown in the table below.

## 5. PEOPLE

**Table 5-3: Health and Safety**

	FY2021
No. of Work-Related Fatalities	0
Rate of Work-Related Fatalities	0
No. of Injuries at Work	2
Lost Days due to Injury at Work	11

### 5.5 DEVELOPMENT AND TRAINING

The Group envisions that empowering its people through development and training is the cornerstone of our success in the long-run. The Group listens and responds to our people, striving to create an environment of continuous learning, to facilitate development of careers and to provide knowledge and skills for better fulfilment of roles and responsibilities. Our training programmes are designed not only to enhance the sustainable development of the Group and to provide skillset required for the operation, but also for the benefit of society as a whole wherever possible.

During the Reporting Period, the Group organized a total of 228 hours of development and training. Each employee at all levels received, on average, 1.21 hours of development and training, including induction training, technical skills training, thematic courses such as anti-corruption, and pre-post training as summarized below.

**Table 5-4: Employee Training**

	Unit	FY2021
Average hours of training received per employee	hours	1.21
Average hours of training per employee by ranking		
Senior Staff	hours	1.59
Middle Staff	hours	1.28
Junior Staff	hours	1.16
Average hours of training per employee by gender		
Male	hours	0.97
Female	hours	1.53
Percentage of employees trained by employment level		
Senior Staff	%	100
Middle Staff	%	100
Junior Staff	%	92
Percentage of employees trained by gender		
Male	%	72
Female	%	100

## 5. PEOPLE

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We encourage directors and senior management to take part in professional training sessions and seminars with topics generally including occupational safety, corporate governance, business development and strategy in order for them to develop and refresh their knowledge and skills. We additionally provided the management with a series of thematic courses to strengthen and refresh their knowledge, leadership and management skills, covering various topics stipulated in different ordinances, rules and guidelines. Latest applicable laws, rules and regulations are circulated with employees and directors from time to time.

The Group pays full attention to the relevant regulatory changes and work closely with different departments to determine the continuous professional training required for relevant employees and directors to update their knowledge and skills to maintain their professional competence. Details of the development and training programs are summarized as below.

### Table 5-5: Development and Training Programs

#### **New Employee Orientation Session**

The Group organized new employee trainings by introducing the history and corporate culture of the Group, as well as functions of respective departments, aiming at helping new employees adapt to the work environment and to settle in.

#### **Video Training**

Employees from respective departments participated in training sessions provided by the head office through video conferencing, aiming at widening the perspective of our employees.

#### **Professional & Thematic Training**

Directors and senior management are encouraged to take part in professional thematic training and seminars including occupational safety, corporate governance, business development and strategy.

Employees from respective departments are encouraged to take part in thematic courses to strengthen and refresh their knowledge, management skills, including various topics stipulated in different ordinances, rules and guidelines such as Listing Rules and Guidelines, compliance, anti-money laundering (“**AML**”), anti-corruption and Know-Your-Client



Figure 5.1: Development and training organized for our employees

## 5. PEOPLE

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### 5.6 LABOUR STANDARDS

The Group strictly prohibits the employment of any child labour and forced labour in any form, being fully aware that exploitation of child and forced labour violates human rights and international labour conventions. All candidates applying to a position in the Group are required to present their identity documents for inspection and ascertaining their identities, ages and validity of employment status. Recruiters strictly review the entry documents including medical examination certificates, academic certificates and identity cards.

During the Reporting Period, the Group strictly complied with the relevant laws and regulations, including the Labour Law, the Protection of Minors and the Prohibition of Using Child Labour of the PRC and the Employment Ordinance of Hong Kong. In the event that any irregularities in ages, identities and/or validities of employment status is subsequently found, employment with all such concerned candidates will be immediately terminated, and the Group will report such incident to the relevant authorities as soon as practicable. No non-compliance case was noted in relation to labour standard laws and regulations reported during the Reporting Period.

### 5.7 HARMONIOUS CORPORATE CULTURE

The Group is strongly convinced that a harmonious corporate culture among the employees and management are always the key drivers to the Group's healthy and prosperous growth. To achieve this, we utilize a variety of channels, including:

- Regular all-staff meetings to update on business performance and the development of key projects;
- Employee engagement to ensure that employees' voices are heard and responded to at both corporate and team levels; and
- Regular and festival gatherings were organised during the Reporting Period to enhance the harmonious spirit of different levels of staff members in recognition of their contributions and dedicated work to the Group.

The Group believes that such a corporate culture and harmonic working environment will naturally achieve a synergistic result to facilitate employee retention and to improve productivity.

## 6. OPERATING RESPONSIBLY

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The Group, as a responsible corporate, strives to operate in a sustainable fashion with a comprehensive ESG management approach and dissemination of pursuing sustainability into our core business. It is additionally essential for us to encourage all business partners to incorporate those sustainability practices and policies into their operation thoroughly in order to work together in our pursuit of sustainable development.

### 6.1 SUPPLY CHAIN MANAGEMENT

The Group anticipates that innovation and technology strategies shall play a crucial role in our long-term business development. As such, we are determined to set ourselves in a good position to continuously and proactively introduce products, services and processes derived from high-tech oriented research and development, into our operation and business model wherever commercially feasible and appropriate.

Supply chain management is always one of the key aspects of the Group's operation. Our sustainable supply chain includes adoption of environmentally conscious operations in logistics, environmentally responsible sourcing of raw material, due diligence of material and product procurement, distribution and inventory management.

We developed a vendor and supplier selection mechanism based on potential vendors' compliance with all applicable laws and regulations in relation to the safety, environment, forced labour, child labour and other social aspects. Products and services with environmentally friendly and socially responsible features will be given a higher technical score during our assessment process. To evaluate the performance of the selected suppliers as well as to minimize the environmental and social risks along the supply chain, regular assessments covering the professional qualification, services/products quality, financial status, integrity, and social responsibility will be conducted if deemed necessary. When the evaluation result of a supplier is not satisfactory, the supplier will be removed from the approved list. We are obliged to terminate the cooperation contract with suppliers if they fail to reach the applicable compliance standard.

The Group encourages our business partners to adopt the best environmental and social practices and to disseminate the pursuit of sustainability into the core business. Every supplier is required to comply with our code of practice, which prohibits offering of gifts, loans, hospitality, services or favor in an improper manner. We believe that, through the above review process, we can minimize the potential environmental and social risks associated with the supply chain management.

During the Reporting Period, we engaged suppliers which are located close to where we are operating for administrative supply and services. No complaint was received from the suppliers and there was no disputed debts or unsettled debts and all the debts are settled on or before due dates or a latest date as mutually agreed.

## 6. OPERATING RESPONSIBLY

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### 6.2 PRODUCT AND SERVICE RESPONSIBILITY

#### Digital Transformation and Automation

We have assigned significant resources to research and development to maintain and strengthen our position in the market. We continue to establish a fully-automated smart warehouse to improve operational efficiency and save energy. With mobile technology development and increasing integration of online and offline customer experience, the Group's express business has designed, developed and deployed an application to extend shipment tracking to mobile devices. It allows the Group's customers to track shipment progress any time and anywhere easily. Embracing innovation and enhancing customer experience have long been critical to adding value to the Group's customers while maintaining its competitiveness and future success.

#### Quality of Services

To be a successful business, we are committed to the highest standards of services we deliver, maintaining continuous communication with our clients to ensure that we understand and fulfil their needs and expectations. Furthermore, we keep track of emerging trends and continue to develop and optimize services that offer the best plans to our clients.

The Group undertook a series of measures to ensure our logistics solutions and services accountability during the Reporting Period. We ensured that our packaging product is correctly labelled with sufficient information required by legislation and industry codes of practice. We also performed continuous and regular assessments of the service quality and review of opportunities for improvements and changes.

During the Reporting Period, our operation in Hong Kong complied with relevant laws and regulations, for instances, the Trade Description Ordinance. During the Reporting Period, the Group did not identify any material non-compliance of the laws and regulations related to the quality of products and services.

### 6.3 ANTI-CORRUPTION

The Group makes every effort to uphold a high standard of business ethics and prohibition of any forms of bribery and corrupt practices. The Group has developed a series of policies and compiled code-of-conduct with respect to anti-fraud and anti-bribery, which apply to all staff-members. In general, we require our employees to declare any conflict of interest, to avoid any possible such conflict with sub-contractors or suppliers, organizing seminars in relation to anti-corruption and avoidance of conflict of interest for our employees. We also encourage our business-related parties, including suppliers to observe those principles of the policies and to proactively report any suspected misconduct issues to the Group.

To further strengthen the governance and increase the awareness of anti-corruption, the Group provides anti-corruption training to employees. A total of 50 training hours on anti-corruption was recorded during the Reporting Period.

During the Reporting Period, the Group observed with related laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering, such as the Prevention of Bribery Ordinance of Hong Kong and Criminal Law and the Regulations for Suppression of Corruption of the PRC.



## 6. OPERATING RESPONSIBLY

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### 6.4 WHISTLE-BLOWING

In order to encourage our employees to report illegality, irregularity, malpractice, unethical acts or behaviors, inappropriate conducts or actions, which may damage the Group's interests, we established whistle-blowing policy and implement procedures for our employees to report improprieties via a confidential reporting channel to the extent that is made possible to all employees. The policy aims to encourage our employees to report behaviour that is not in line with the principles of ethics and the Group's policy such as events that are non-compliant with the Group's policy, laws, rules, regulations, general practice of financial reporting and internal control.

The Group is committed to addressing the "whistle-blowers" concerns in a fair and reasonable manner and to handling the reports with due care and conducting a comprehensive and independent investigation for each reasonably established report. All "whistle-blowers" who report in good faith are reasonably protected from retaliation or adverse consequence of their employment regardless of whether the allegation is substantiated.

### 6.5 ANTI-MONEY LAUNDERING

The Group fully supports the international community drive against serious crime, drug trafficking and terrorism and is committed to assisting the authorities to identify money laundering and terrorist financing transactions. The Group's anti-money laundering ("AML") and counter-financing of terrorism ("CFT") policy has clearly specified that all employees are obliged to comply with all applicable AML/CFT laws and regulations. In order to safeguard from the use of the Group's services for money laundering and terrorist financing purpose, the operation manuals include the procedures in conducting customer due diligence and ongoing monitoring on a risk-based approach, suspicious activity reporting and record keeping. The operation manuals are reviewed regularly and updated according to relevant legal and regulatory changes. Internal control review is also carried out regularly to ensure that the AML/CFT procedures are adhered to. There is also compulsory training on AML/CFT for all employees to assist them in understanding, implementing and complying with the AML/CFT procedures.

### 6.6 CUSTOMER RELATIONSHIP MANAGEMENT

The Group pays attention to the level of satisfaction of customers and their feedback. Regular communication channels and feedback systems, such as telephone hotline, emails, social media and websites, are in place to collect information on satisfaction and suggestions for improvement from our diverse portfolio of clients.

The Group consolidated and comprehensively analysed the customers' feedback in order to identify the issues. Follow-up actions, including internal evaluation and modification of training programs for employees, will be taken to address the issues identified and to continuously improve our service delivered. Feedback will additionally be provided to the clients in a timely manner.

# 6. OPERATING RESPONSIBLY

There were no cases of product recall nor complaints received against our services due to health and safety issues during the Reporting Period.

**Table 6-1: Product Recalls and Complaints**

	FY2021
<b>Percentage of complaints received about the products related to health and safety issues</b>	n/a
<b>Percentage of sold/shipped products recalled due to safety and health reasons</b>	n/a

## 6.7 PERSONAL DATA PROTECTION

The Group emphasizes the importance of protecting customers’ personal data against unauthorized access, use or loss and we adhere to the Personal Data (Privacy) Ordinance when collecting, processing and using customers’ personal data. To safeguard customers’ privacy, the Group takes practicable steps to ensure the customers’ data are securely stored and the use of data is limited to or related to the original collection purpose. The Group respects privacy rights of its stakeholders with utmost importance.

The Group sets out data privacy requirements in our corporate policies, under which customer and supplier data would be used exclusively for matters relating to the Group’s operation only. We strive to ensure all collected data kept is free of unauthorized or accidental access, processing, erasure or other use.

There were no non-compliance cases noted in relation to our data privacy and no material complaints received regarding our services that would have significant impact during the Reporting Period.

## 6.8 PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

The Group respects and attaches great importance to intellectual property rights. In order to prevent infringement and enhance copyright protection, a copyright ordinance compliance policy is in place covering the area of installation of computer software, making copies of copyright works, publication and use of internet information. During the Reporting Period, there were no non-compliance cases in relation to intellectual property rights.



## 7. CONTRIBUTING TO OUR COMMUNITY

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We believe the Group benefits from the overall social development and should give back to the society in return. We are actively committed to making a better society through our active involvement in the community and taking concrete actions, putting the best effort in helping the community and people in needs through community services and engagement, social support and sponsorship programs.

During the Reporting Period, we contributed a donation totaling HK\$50,000.00 to the Ocean Park Conservation Foundation on the 26th Ocean Park Conservation Day which aims to enrich the public's understanding of Hong Kong's rich biodiversity, in addition to promoting human connection with the nature.



**The Group's contribution to the Ocean Park Conservation Foundation**

## 7. CONTRIBUTING TO OUR COMMUNITY

During the Reporting Period, the Group participated in the “Social Enterprise Mooncake Donation Program” organized by Good Goods Social Enterprise Concept Store and Special Education Needs & Parents Association with the goal of enabling low-income families to enjoy mooncakes as well as a satisfying and happy Mid-Autumn Festival.



The Group's participation in the Social Enterprise Mooncake Donation Program

## 7. CONTRIBUTING TO OUR COMMUNITY

During the Reporting Period, the Group was recognized as a “Caring Company” by the Hong Kong Council of Social Service (“HKCSS”).

Going forward, the Group will continue to foster the culture of active participation in community services, encouraging our staff members to be actively engaged in voluntary services and join hands together to disseminate the spirit of services in the community where we all depend on.



## 8. HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report	Remarks
<b>Aspect A1: Emissions</b>			
General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Managing Environmental Impacts	
KPI A1.1	Types of emissions and respective emissions data	Managing Environmental Impacts	
KPI A1.2	Greenhouse gas emissions in total and, where appropriate, intensity	Managing Environmental Impacts	
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity	n/a	The Group has not identified any hazardous waste was produced in our core business
KPI A1.4	Total non-hazardous waste produced and intensity	Managing Environmental Impacts	
KPI A1.5	Description of measures to mitigate emissions and results achieved	Managing Environmental Impacts	

## 8. HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report	Remarks
KPI A1.6	Description of how hazardous and non — hazardous waste is handled, reduction initiatives and results achieved	Managing Environmental Impacts	
<b>Aspect A2: Use of Resources</b>			
General Disclosure	Policies on efficient use of resources including energy, water and other raw materials	Managing Environmental Impacts	
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity	Managing Environmental Impacts	
KPI A2.2	Water consumption in total and intensity	Managing Environmental Impacts	
KPI A2.3	Description of energy use efficiency initiatives and results achieved	Managing Environmental Impacts	
KPI A2.4	Description of whether there is any issue in sourcing water, water efficiency initiatives and results achieved	n/a	Defined to be irrelevant to the Group's operation
KPI A2.5	Total packaging material used for finished products, and if applicable, with reference to per unit produced	Managing Environmental Impacts	
<b>Aspect A3: The Environment and Natural Resources</b>			
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	Managing Environmental Impacts	

## 8. HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report	Remarks
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	Managing Environmental Impacts	
<b>Aspect B1: Employment</b>			
General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	People	
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	People	
KPI B1.2	Employee turnover rate by gender, age group and geographical region	People	
<b>Aspect B2: Health and Safety</b>			
General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	People	
KPI B2.1	Number and rate of work-related fatalities	People	



## 8. HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report	Remarks
KPI B2.2	Lost days due to work injury	People	
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	People	
<b>Aspect B3: Development and Training</b>			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	People	
KPI B3.1	The percentage of employees trained by gender and employee category	People	
KPI B3.2	The average training hours completed per employee by gender and employee category	People	
<b>Aspect B4: Labour Standards</b>			
General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	People	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	People	
KPI B4.2	Description of steps taken to eliminate child and forced labour practices when discovered	n/a	No such incidents were reported during the Reporting Period.
<b>Aspect B5: Supply Chain Management</b>			
General Disclosure	Policies on managing environmental and social risks of the supply chain	Operating Responsibly	
KPI B5.1	Number of suppliers by geographical region	Operating Responsibly	

## 8. HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report	Remarks
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Operating Responsibly	
<b>Aspect B6: Product Responsibility</b>			
General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Operating Responsibly	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	n/a	Not applicable to the Group's core operation
KPI B6.2	Number of products and service-related complaints received and how they are dealt with	Operating Responsibly	No products and service-related complaints received during the Reporting Period.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Operating Responsibly	

## 8. HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report	Remarks
KPI B6.4	Description of quality assurance process and recall procedures	n/a	Not applicable to the Group's core operation
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Operating Responsibly	
<b>Aspect B7: Anti-corruption</b>			
General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Operating Responsibly	
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Operating Responsibly	No concluded legal cases regarding corrupt practices during the Reporting Period.
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Operating Responsibly	
<b>Aspect B8: Community Investment</b>			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities takes into consideration communities' interests	Contributing to the Community	
KPI B8.1	Focus areas of contribution	Contributing to the Community	
KPI B8.2	Resources contributed to the focus areas	Contributing to the Community	